

BEFORE
THE PUBLIC SERVICE COMMISSION
OF SOUTH CAROLINA
DOCKET NO. 2005-270-G

IN RE: Request for Investigation to)
Determine Whether a Regulation)
Should be Promulgated Requiring)
Relocation of Certain Meter Sets or)
Installation of Splash Guards on)
These Meter Sets.)
_____)

**PETITION FOR
RECONSIDERATION AND
MOTION FOR CLARIFICATION**

The Office of Regulatory Staff (“ORS”), pursuant to S.C. Code Ann. §§ 58-5-330 and 1-23-10, et seq. (as amended) and the applicable rules and regulations of the Public Service Commission of South Carolina (the “Commission”), requests that the Commission reconsider certain matters in Orders Numbered 2006-168 and 2006-168(A) issued in the above-referenced docket. The first Order was issued on March 23, 2006, but was inadvertently listed as being issued on March 23, 2005. An Amended Order was issued on April 5, 2006 to correct the issuance date so that it properly reads March 23, 2006. ORS received the first Order on March 28, 2006 and the Amended Order on April 7, 2006. For ease of reading, both Orders will collectively be referred to as the “Order” in this Petition and Motion since the second Order was issued solely to correct a clerical matter. In support of this Petition and Motion, ORS states as follows:

I. Introduction

On January 19, 2006 the Commission conducted a hearing to determine whether a regulation should be promulgated requiring relocation or installation of splash guards on

American Meter Company Type 12 gas meter sets. On March 23, 2006, the Commission issued its Order No. 2006-168 wherein the Commission found that there is no need to promulgate a regulation as gas operators have committed to a remediation schedule and all existing Type 12 meters in South Carolina will be either reconfigured or will have splashguards installed. In addition, the Commission also ordered the following with respect to the docket: 1) that all gas suppliers shall expedite their remediation plans to the extent possible; 2) that all gas suppliers shall give a status report to the Commission and to ORS as to their progress with remediation of Type 12 gas meters six months from their receipt of this Order; 3) that the [Commission] Staff shall study the \$5,000 property damage reportability requirement in 26 S.C. Code Ann. Regs. 103-415 (Supp. 2005) with an eye towards lowering that threshold in the future; and 4) that ORS perform its own on-site investigations of any reportable accidents involving personal or property damage involving gas meter sets under 26 S.C. Code Ann. Regs. 103-415 (Supp. 2005) in the future. ORS respectfully requests that the Commission reconsider or clarify its Order with respect to items numbered 2, 3, and 4 above.

II. Status Reports

The Commission, pursuant to its Order, states that all gas suppliers (“operators”) are to provide a status report to the Commission and to ORS six months from receipt of the Order as to their Type 12 gas meter remediation progress. ORS respectfully requests that operators within the State that do not have Type 12 gas meters or meters susceptible to such an incident be exempt from filing a report. ORS also respectfully requests that the Commission clarify its Order with respect to the contents of the status report. ORS suggests that it would be helpful to have the operator specify whether the remediation process is complete and if not, the number of

meters remaining that need remediation, and the date remediation is expected to be completed. ORS also requests that if an operator completed its remediation process prior to the hearing that it be deemed exempt from filing a status report as well. Lastly, if it pleases the Commission, ORS is willing to act as administrator and receiver for the operators' status reports. Upon receipt of all the reports from the operators, ORS will file the reports with the Commission as one collective filing under this docket by October 1, 2006 along with an Executive Summary summarizing the filings. ORS is hopeful this process would assist the Commission. If the Commission chooses to have each operator file its status report directly with the Commission, ORS requests that the Commission still provide clarification as to the information it would like contained in the report.

III. \$5,000 Property Damage Reporting Requirement

The Commission's Order states that its Staff shall study the \$5,000 property damage reportability requirement in 26 S.C. Code Ann. Regs. 103-415 (Supp. 2005) with an eye towards lowering that threshold in the future. ORS respectfully submits that the property damage amount should not be lowered. This property damage amount has been in effect for twenty years after being raised from \$1,000 in 1986. During 1986, the issue and dollar amount were studied by this Commission and it was found that the minimum damage amount requiring reporting needed to be raised to \$5,000 where it remains today. ORS is mindful and sensitive to those who have damage resulting from a gas incident; however, lowering the damage threshold amount to an amount below \$5,000 would have budget impacts as it would necessitate additional personnel to investigate and review incidents which were once considered not reportable. Accordingly, ORS submits that the \$5,000 dollar amount is not inappropriately high.

IV. On-Site Investigation

The Commissions Order requests that ORS perform on-site investigations of any reportable accidents involving personal or property damage involving gas meter sets pursuant to 26 S.C. Code Ann. Regs. 103-415 (Supp. 2005) in the future. ORS respectfully requests that the Commission clarify its Order as ORS does conduct on-site investigations of reportable accidents.

26 S.C. Code Ann. Regs. 103-415 (Supp. 2005) states in part:

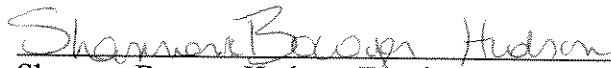
- A. Each gas system shall, as soon as possible, report by telephone to the Commission each accident happening in connection with the operation of its property, facilities, or service, wherein any person shall have been killed or hospitalized with injuries or whereby such reporting is required by Subarticle 8. * * * Each gas system shall, as soon as possible, report by telephone to the Commission all gas leaks not reportable under the above criteria, but resulting in property damage in excess of \$5,000.

Pursuant to the regulations, if an operator deems the damage to be less than \$5,000 (and the incident is not otherwise reportable under the criteria set forth above), the operator is not required to report the incident. In that event, ORS is not made aware of the incident and has no way of becoming aware of the matter. This is what occurred with Ms. Ayer's incident -- the catalyst to this docket. The operator deemed Ms. Ayer's property damage to be approximately \$3,000 and in compliance with the above regulation, the operator did not report the incident to ORS. Had the operator deemed it a reportable incident (by finding property damage of \$5,000 or greater) and reported it to ORS, ORS would have conducted an on-site visit/investigation as soon as possible.¹ As such, ORS respectfully requests the Commission to revise its Order to recognize that ORS does currently conduct on-site investigations of reportable incidents.

¹ The incident at Ms. Ayer's home occurred in January, 2005. ORS became aware of Ms. Ayer's incident weeks later in February, 2005 when Ms. Ayer called ORS expressing concern for the safety of other South Carolina

WHEREFORE, having fully set forth its grounds for this Petition, ORS respectfully requests that the Commission reconsider Order No. 2006-168, as set forth herein, and grant such other relief as the Commission deems just and proper.

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Shannon Bowyer Hudson, Esquire
Office of Regulatory Staff
P.O. Box 11263
1441 Main Street (Suite 300)
Columbia, SC 29211
Phone: (803) 737-0889
Fax: (803) 737-0895
Email: shudson@regstaff.sc.gov

citizens who could have a similar incident. To learn more information, ORS thereafter contacted Ms. Ayer's operator. ORS learned the operator estimated property damage to be \$3,000, and therefore, the operator deemed it a non-reportable incident. It was not until seven months later, in September, 2005 that Ms. Ayer reported property damages above \$5,000 in the amount of \$15,000. Ms. Ayer's meter had already been replaced and her property in general had undergone changes rendering an on-site visit to investigate her January incident moot. [See Page 5 of Ms. Ayer's written testimony and the letter dated September 1, 2005 from ORS attorney Shannon Bowyer Hudson to Chief Clerk & Administrator Charles L.A. Terreni included with Ms. Ayer's testimony and included as Hearing Exhibit 4. Please also see the letter dated October 5, 2005 from ORS attorney Shannon Bowyer Hudson to Chief Clerk & Administrator Charles L.A. Terreni included with Ms. Ayer's testimony and included as Hearing Exhibit 4.]